

Points to Ponder....

BROWNFIELD REDEVELOPMENT VS. GREENFIELD DEVELOPMENT

What are Brownfields?

Our urban landscape is dotted with former industrial or commercial lands which are today sitting vacant or abandoned. These sites are referred to as brownfields, and are defined as “abandoned, idled, or underused industrial or commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination”. While the sites may or may not have actual contamination, based on their former uses the contamination is suspected. The term brownfield is a counterpart to the term greenfield, which refers to clean and undeveloped land on the urban periphery. There are an estimated 20,000 – 30,000 such brownfields in Canada.

Advantages to Redeveloping Brownfield Sites

The potential benefits to redeveloping brownfield sites are many, including:

- Improved environmental and human health - soil, air, and water quality are improved and human health risks are decreased due to the removal of contaminants from the land;

- Urban revitalization - redevelopment of brownfield sites can be an integral part of a city’s downtown revitalization program and may produce a “snowball” effect by encouraging the development or redevelopment of surrounding properties;
- Smart growth – brownfield redevelopment makes efficient use of existing infrastructure by intensifying development in the city core and decreasing urban sprawl and the development of greenfields;
- Economic benefits – brownfield sites represent missed economic opportunities when they are left vacant or abandoned, and redevelopment can significantly increase a city’s tax base;
- Social benefits – quality of life and housing stock can be improved in neighbourhoods surrounding brownfield sites.

Barriers to Brownfield Redevelopment

Despite these potential benefits, the redevelopment of brownfield lands is made difficult by several obstacles.

Environmental liability is one of the major barriers to successful redevelopment. Liability is a concern for all players involved in brownfield redevelopment: site owners, developers, financiers, and municipalities. Current owners of brownfield sites do not want to sell them for fear of liability issues in the future, prospective purchasers do not want to buy sites without some level of liability protection, and municipalities open themselves up to liability problems when they become site owners.

The liability issue is related to a second major barrier to redevelopment: lack of financing. It can be very difficult for prospective site purchasers and developers to obtain adequate financing for brownfield projects, as financial institutions are fearful of environmental liability when they lend to a brownfield project.

Other significant barriers include:

- Uncertain market potential – the shape and size of brownfield sites, surrounding land uses, and the stigma often associated with contaminated sites can decrease a site’s market potential;
- Costs and delays – compared to greenfield development, a brownfield redevelopment is significantly more costly and time-consuming;
- Environmental regulations - uncertainty, complexity, and variability in regulations confuses the redevelopment process;
- Lack of information – a shortage of information exists on the location, number, and level of contamination of brownfield sites.

How are these issues being addressed?

The City of Hamilton is widely considered a leader in Canada with regards to brownfield redevelopment. The City’s *ERASE* (Environmental Remediation and Site Enhancement) *Plan* is a comprehensive set of programs designed to encourage and promote brownfield redevelopment in the older industrial area of the City. The Plan is designed to “erase” brownfields by providing financial incentives to clean them up and replace them with productive economic land uses, thereby improving both economic opportunities and environmental conditions in the City. The ERASE program includes the provision of Redevelopment Grants, Environmental Study Grants, and rebates on planning and development fees.

The Province of Ontario has responded to the issue of brownfield redevelopment with *Bill 56 - The Brownfields Statute Law Amendment Act, 2001*. Among other things, Bill 56 provides some liability protection to brownfield owners, developers, and municipalities. The Bill also allows municipalities greater flexibility to provide planning and financial incentives to encourage the redevelopment of their brownfield sites.

While there are innovative examples, like the two above, of positive approaches to encourage brownfield redevelopment, there are still many issues that must be addressed. Liability, financing, information, and regulatory issues need to be resolved in order to even the playing field between brownfield redevelopment and greenfield development, and put brownfield sites back into productive use.

Prepared by: City of Hamilton Planning & Development Department